

Ref: STEC NSE/BSE 124/2020

August 11, 2020

The Secretary,  
**BSE Ltd**  
P J Towers,  
Dalal St,  
Mumbai 400 001

The Manager  
**National Stock Exchange of India Ltd**  
Exchange Plaza, 5th Floor  
Plot No.C/1, G Block  
Bandra- Kurla Complex Bandra (E)  
Mumbai 400 051

Sir,

**Ref: ISIN – INE722A01011**

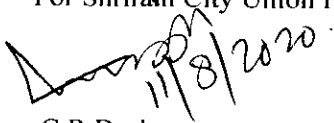
**Scrip Code: BSE – 532498 and NSE - SHRIRAMCIT**

Please find attached the presentation on financial results made by the Company to analysts / institutional investors. This is an intimation under Regulation 30 read with Schedule III (Part A) (15) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 as amended from time to time.

We request you to kindly take the above information on record.

Thanking you,

Yours faithfully,  
For Shriram City Union Finance Limited

  
11/8/2020  
C R Dash  
Company Secretary  
AB

Encl: a/a

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**Shriram City Union Finance Limited**

Business Solution Centre, 144, Santhome High Road, Mylapore, Chennai – 600 004. Ph: +91 44 4392 5300, Fax: +91 44 4392 5430

Regd. Office: 123, Angappa Naicken Street, Chennai - 600 001. Ph : +91 44 2534 1431

E-mail : [shriramcity@shriramcity.in](mailto:shriramcity@shriramcity.in) Website : [www.shriramcity.in](http://www.shriramcity.in)

Corporate Identification Number (CIN) L65191TN1986PLC012840



## **Investor Presentation**

**Q1FY21 (June 2020) Results**

# Q1FY21 : Dealing with Covid-19

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- ❖ All our 947 branches became operational by the end of Q1FY21. Currently, work schedules are staggered/shift-based, and all precautions are taken to protect our staff and customers.
- ❖ Disbursements were considerably lower in Q1 on account of Covid-19, and this resulted in AUM degrowth of 6.3% annually and 2.2% sequentially. The Two Wheeler loan book however grew 10% annually.
- ❖ An encouraging development was the reduction in Operating Expenses (18% annually, 20% sequentially). This led to a PPOP rise of 10.2% and a PAT growth of 25.6% sequentially. Cost/Income too dropped to 35%.
- ❖ Impairments in Q1 remained steady at Rs. 310 Crores, marginally lower than the figure for Q4FY20..
- ❖ Collection Efficiency continued to improve by the month, with April at 30%, May: 52% and June: 71%.
- ❖ On the fund-raising front, Moratorium 2.0 led to a slowing down of securitization deals. However, we raised Rs. 1058 crores of fresh resources in the quarter, and our Fixed Deposit subscriptions continued to grow stronger, clocking the highest ever monthly gross accretion in June.
- ❖ With Rs. 1488 Crore of free cash and Rs. 244 Crore of undrawn Cash Credit lines, we were comfortable on liquidity.
- ❖ Loan yields were maintained in the Quarter.
- ❖ In accordance with our Board policy, SCUF extended its moratorium offer to eligible borrowers up to August 2020.
- ❖ Covid-related provisioning of Rs. 180 Crore was made in Q1, and the aggregate Covid-related provisioning for Q4FY20 and Q1FY21 is now Rs. 606 Crore.
- ❖ Cost of Funds for the Quarter was 9.58%.

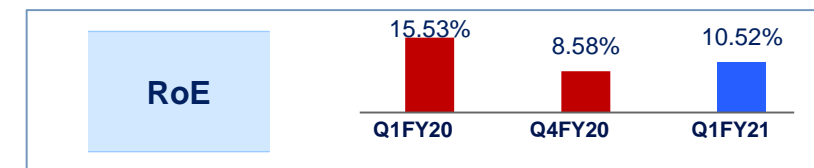
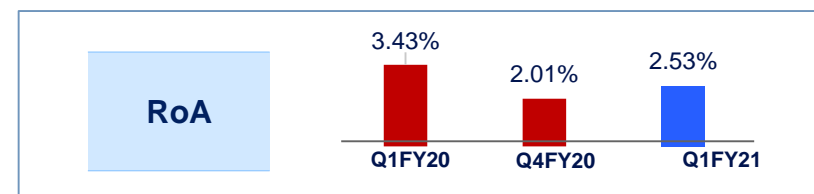
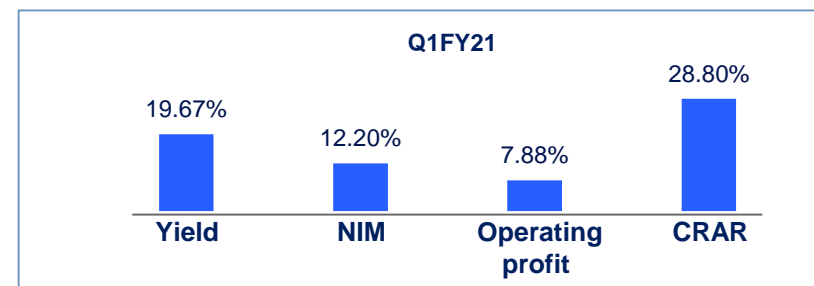
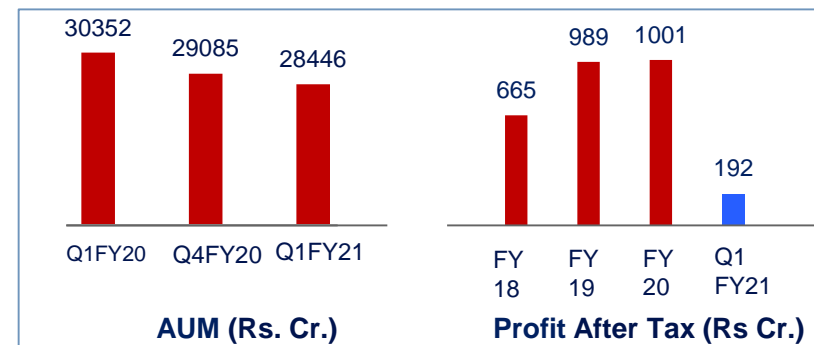
# Company Background

- Market leader – differentiated position in large under-served retail markets
- Strong parentage and an established track record in financial services
- Strong business fundamentals with diversification-led growth
- Healthy capitalization and balance Sheet with adequate liquidity
- Primarily caters to under-banked customers
- 947 branches with strong presence in rural and semi-urban markets
- Leading small enterprise finance company in India in the Small Loans segment
- Leading two-wheeler financier in India
- Active customer base of 38.55 Lakhs. Strong base of 26863 employees

## CREDIT RATING - LONG TERM



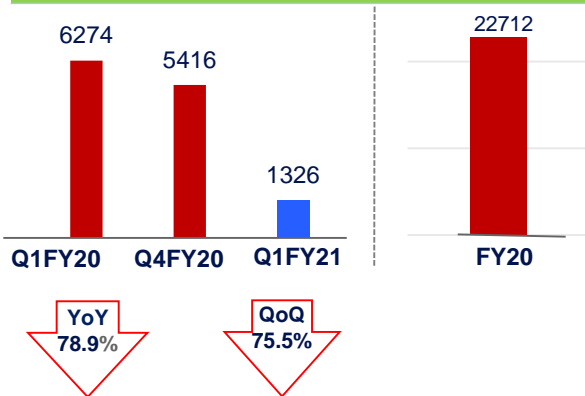
## CREDIT RATING - SHORT TERM



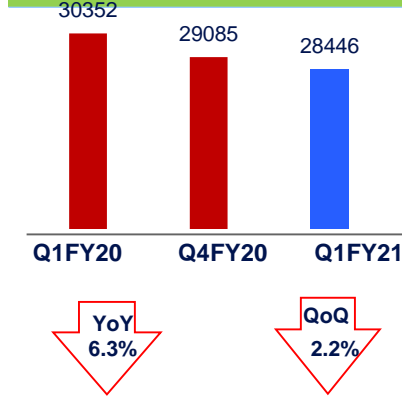
# Performance Highlights for Q1 FY21

## Key Financial Metrics

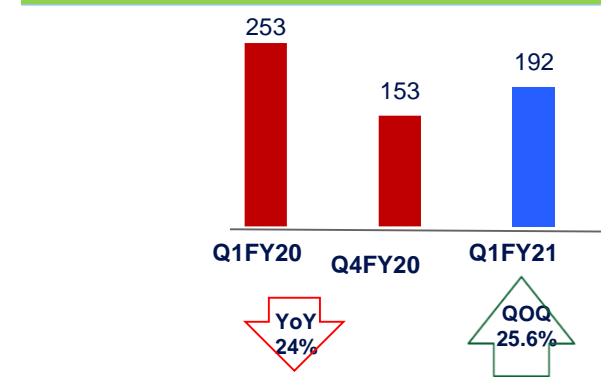
### Total Disbursements (INR Cr.)



### Total AUM (INR Cr.)



### PAT (INR Cr.)



### Disbursements

INR Cr.

Product	Q1FY20	Q4FY20	Q1FY21	FY20
Small Enterprise Finance	2278	1880	20	7258
Two Wheelers	1284	1182	652	5604
Personal Loan	776	43	0	1704
Pre-owned Two Wheelers	0	427	1	427
Auto Loans	146	60	5	611
Gold Loans	1789	1824	648	7107
<b>Total</b>	<b>6274</b>	<b>5416</b>	<b>1326</b>	<b>22712</b>

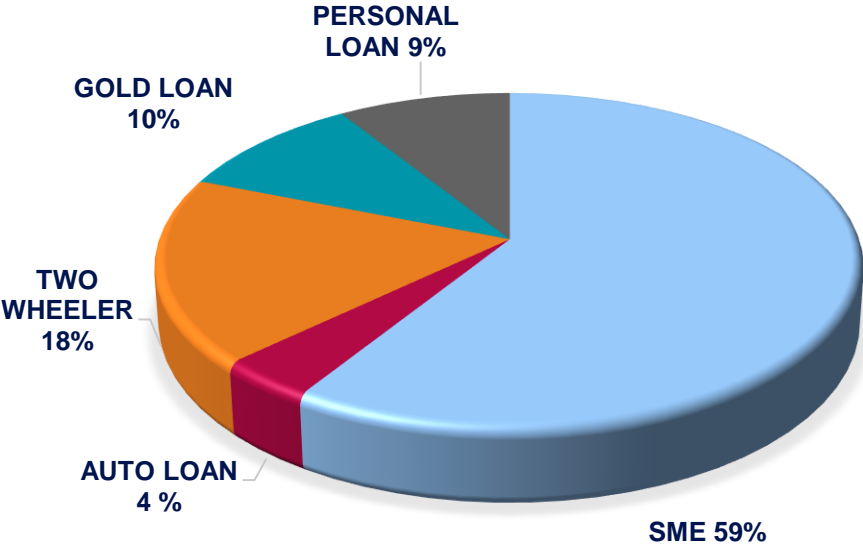
### Assets Under Management

INR Cr.

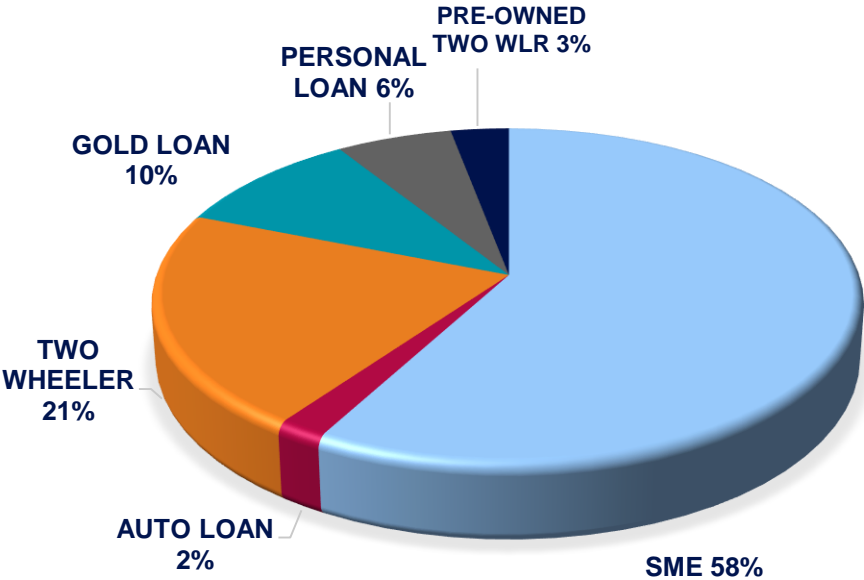
Product	Q1FY20	Q4FY20	Q1FY21
Small Enterprise Finance	17920	16653	16602
Two Wheelers	5480	6076	6028
Personal Loan	2781	1857	1582
Pre-owned Two Wheelers	0	743	720
Auto Loans	1116	637	576
Gold Loans	3055	3119	2938
<b>Total</b>	<b>30352</b>	<b>29085</b>	<b>28446</b>

# Performance Highlights – AUM

Q1FY20



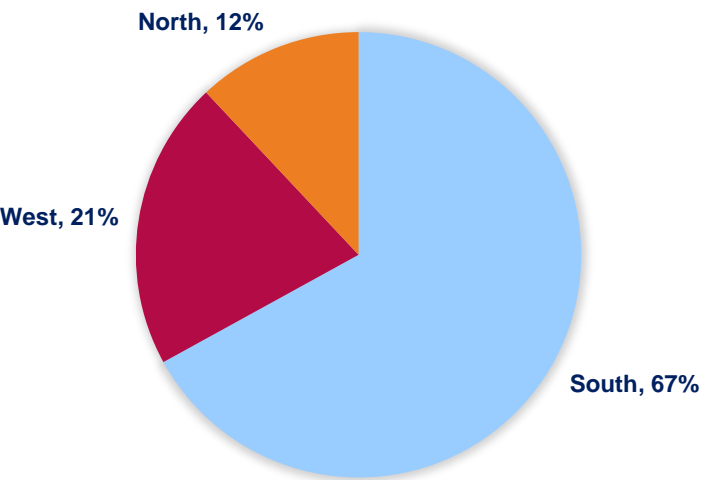
Q1FY21



# Performance Highlights – Region-wise Breakup of Business

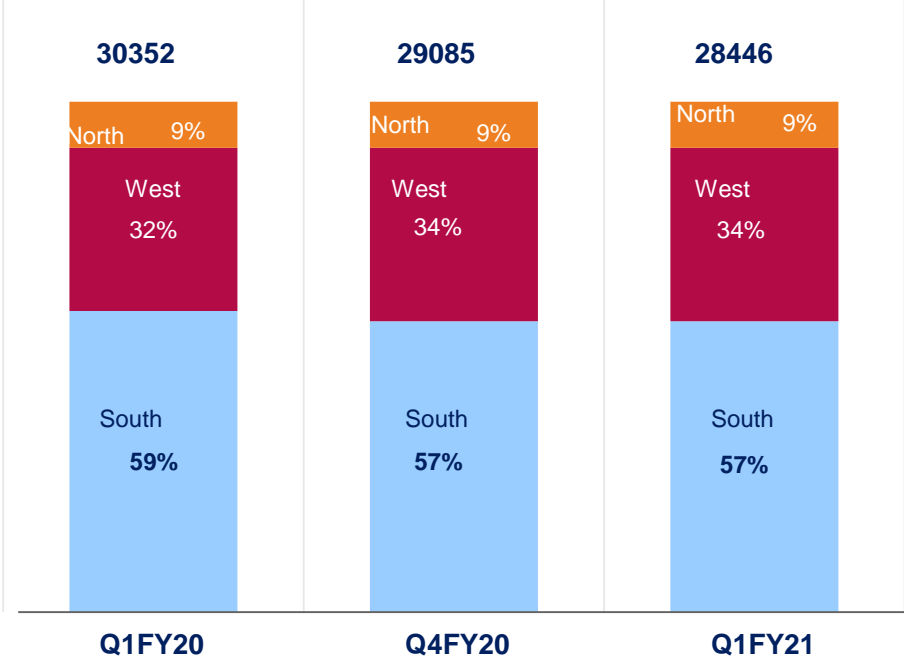
## Branch Network by Geography

947 branches as on 30-Jun-2020



## AUM by Geography

AUM in INR Cr.



# Performance Highlights

## Income Statement under Ind-AS – Quarter ended June 2020

Particulars (INR in Crores)	Q1FY20	Q4FY20	Q1FY21	Growth	
				YoY	QoQ
Assets Under Management	30352	29085	28446	(6.3%)	(2.2%)
Disbursements	6274	5416	1326	(78.9%)	(75.5%)
Interest Income	1487	1450	1415	(4.9%)	(2.5%)
Interest Expenses	532	550	537	1.1%	(2.2%)
Net Interest Income	956	900	877	(8.2%)	(2.6%)
Operating Expenses	378	386	311	(17.9%)	(19.6%)
Operating Profit	577	514	567	(1.9%)	10.2%
Impairment on Financial Instruments & Write-offs	193	311	310	60.4%	(0.4%)
Profit Before Tax	384	203	256	(33.2%)	26.4%
Tax Expenses	131	50	64	(51.0%)	28.7%
Profit After Tax	253	153	192	(24.1%)	25.6%



# Performance Highlights

## Under Ind-AS – Key Ratios

Analysis on Average AUM	Q1FY20	Q4FY20	Q1FY21
Yield on Assets	19.85%	19.79%	19.67%
Interest Expenses	7.10%	7.50%	7.47%
Net Interest Margin	12.76%	12.29%	12.20%
Operating Expenses	5.05%	5.27%	4.32%
Operating Profit	7.71%	7.02%	7.88%
Impairment on Financial Instruments & Write-offs	2.58%	4.25%	4.31%
Net Spread (Pre Tax)	5.13%	2.77%	3.57%
RoA	3.43%	2.01%	2.53%
RoE	15.53%	8.58%	10.52%
Leverage (times)	3.34	3.21	2.92
Cost to Income Ratio	39.58%	42.88%	35.40%
Earnings per Share (Rs.)	38.36	23.19	29.13
Book Value per Share (Rs)	1008	1092	1123
Net Owned Funds (Rs. Cr.)	6654	6787	6996
CRAR Total	22.62%	27.69%	28.80%
CRAR (Tier I)	22.58%	27.69%	28.80%

## Stage Analysis as per Ind AS

INR Cr.

Provisions Analysis as per Ind AS	Q1FY20	Q4FY20	Q1FY21
Stage 3 - Gross	2654	2263	2045
Stage 3 - ECL Provisions	1153	1097	1030
Stage 3 – Net	1501	1166	1015
<b>Stage 3 - Coverage Ratio (%)</b>	<b>43.44%</b>	<b>48.47%</b>	<b>50.37%</b>
Stage 1 & 2 – Gross	27196	26394	26042
Stage 1 & 2 - ECL Provisions	791	947	1098
Stage 1 & 2 – Net	26404	25446	24944
<b>Stage 1 &amp; 2 - ECL Provisions %</b>	<b>2.91%</b>	<b>3.59%</b>	<b>4.22%</b>
<b>Stage 3 % - Gross</b>	<b>8.89%</b>	<b>7.90%</b>	<b>7.28%</b>
<b>Stage 3 % - Net</b>	<b>5.23%</b>	<b>4.23%</b>	<b>3.75%</b>

## Analysis of stage 3 (as per IND AS)

Product	Stage 3 Gross %			Stage 3 Net %			Stage 3 ECL %		
	Q1FY20	Q4FY20	Q1FY21	Q1FY20	Q4FY20	Q1FY21	Q1FY20	Q4FY20	Q1FY21
Small Enterprise Finance	9.33%	8.33%	7.80%	5.42%	4.23%	3.72%	44.28%	51.35%	54.35%
Two Wheelers	9.37%	8.12%	6.77%	5.34%	3.91%	3.26%	45.43%	53.97%	53.60%
Personal Loans	11.28%	11.13%	11.65%	6.93%	6.73%	6.81%	41.42%	42.33%	44.62%
Pre-owned Two Wheelers	0.00%	0.09%	0.10%	0.00%	0.03%	0.04%	0.00%	59.81%	61.72%
Auto Loans	11.78%	11.64%	9.42%	6.12%	5.31%	4.04%	51.23%	57.39%	59.49%
Loan Against Gold	2.32%	4.37%	4.35%	2.21%	4.17%	4.15%	4.90%	4.78%	4.75%
<b>Total</b>	<b>8.89%</b>	<b>7.90%</b>	<b>7.28%</b>	<b>5.23%</b>	<b>4.23%</b>	<b>3.75%</b>	<b>43.44%</b>	<b>48.47%</b>	<b>50.37%</b>

## Diversified Borrowing Profile & adequate Liquidity Backup

Source	Q4FY20	Q1FY21
<b>Total Borrowings (INR Cr.)</b>	<b>23166</b>	<b>21666</b>
Term Loans – Banks & Institutions (%)	36.8%	37.4%
CC & WCDL – Banks (%)	8.8%	9.5%
Retail Fixed Deposits and Sub.Debt (%)	18.4%	20.2%
Public Issue NCD (%)	3.7%	3.8%
Institutional NCD (%)	15.6%	13.7%
Securitization (%)	16.3%	15.4%
Commercial Papers (%)	0.5%	-
Average Cost of Borrowing (%)	<b>9.67%</b>	<b>9.58%</b>

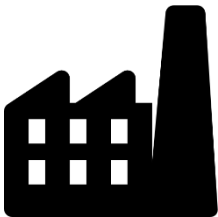




- **Fresh mobilization in Q1FY21: Rs. 1058 Crore as under:**  
Term Loans from Banks & Institutions: Rs. 545 Cr., Retail Fixed Deposits: Rs. 513 Cr.
- **Sanctions in hand at the end of Q1FY21: Rs. 465 Cr.**
- **As on 30<sup>th</sup> June 2020, liquidity backup: Rs. 1732 Cr. as under:**  
Free cash and Bank balances: Rs. 1488 Cr., undrawn bank limits: Rs. 244 Cr.

## ALM statement as of 30 June 2020

INR Cr.

Particulars	0 - 1 month	1 - 2 months	2 - 3 months	3 - 6 months	6 - 12 months	1 - 3 years	3 - 5 years	Over 5 years
Net Cash Position	1488							
Scheduled Inflows	815	527	1776	3800	6095	10194	3168	1713
Scheduled Outflows	573	553	984	2709	5967	9470	1411	1
Mismatch	1730	-26	792	1091	128	724	1758	1713
<b>Cumulative Mismatch</b>	<b>1730</b>	<b>1704</b>	<b>2496</b>	<b>3586</b>	<b>3714</b>	<b>4438</b>	<b>6196</b>	<b>7909</b>

# Product Summary

 <p>58% of AUM</p>	 <p>24% of AUM</p>	 <p>10% of AUM</p>	 <p>6% of AUM</p>	 <p>2% of AUM</p>
MSME Financing	Two-Wheeler Financing – New and Preowned	Gold Loans	Personal Loans	Auto Loans
<ul style="list-style-type: none"> <li>Launch Year: 2006</li> <li>Loans to micro, small and medium enterprises.</li> <li>Strong Presence in Andhra, Telangana, Tamil Nadu &amp; Maharashtra.</li> <li>Ticket Size: 10 – 15 L</li> <li>Tenor: 36 – 60 months.</li> <li>Yield Band: 14 – 22%</li> <li>LTV: Cash Flow based Lending</li> </ul>	<ul style="list-style-type: none"> <li>Launch Year: New:2002, Preowned: 2019</li> <li>Among the largest 2W financiers on volume basis</li> <li>Focus on non salaried class</li> <li>Tech- based lending</li> <li>Ticket Size: 50 – 52 K</li> <li>Tenor: 24 – 30 months.</li> <li>Yield Band: 21 – 26%</li> <li>LTV: C. 75%</li> </ul>	<ul style="list-style-type: none"> <li>Launch Year: 2007</li> <li>Focused on 5 leading gold demand states.</li> <li>Offered through existing regional network.</li> <li>Ticket Size: 40 – 50 K</li> <li>Tenor: 4 – 6 months.</li> <li>Yield Band: 14 – 18%</li> <li>LTV: C. 75%</li> </ul>	<ul style="list-style-type: none"> <li>Launch Year: 2002</li> <li>Cross sell product – Currently offered to 2W customers.</li> <li>Entirely based on data mining &amp; analytics</li> <li>Ticket Size: 75K</li> <li>Tenor: 18 – 36 months.</li> <li>Yield Band: 22 – 28%</li> <li>LTV: Cash Flow based Lending</li> </ul>	<ul style="list-style-type: none"> <li>Launch Year: 2006 (Pre-owned 2Ws : in 2020)</li> <li>Primarily involves Preowned cars, PVs &amp; 3Ws and 2Ws</li> <li>Relationship based lending, offered to existing/past customers.</li> <li>Ticket Size: 0.25 – 1.5 L</li> <li>Tenor: 24 – 48 months.</li> <li>Yield Band: 18 – 24%</li> <li>LTV: 60 – 80%</li> </ul>

## Our stakeholders (1% and above shareholding)

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- ❖ SHRIRAM CAPITAL LTD.
- ❖ DYNASTY ACQUISITION FPI LTD. (“APAX”)
  - ❖ PIRAMAL ENTERPRISES LTD.
- ❖ EAST BRIDGE CAPITAL MASTER FUND LTD.
- ❖ WF ASIAN RECONNAISSANCE FUND LTD. (“WARD FERRY”)
- ❖ WF ASIAN SMALLER COMPANIES FUND LTD. (“WARD FERRY”)
  - ❖ ACACIA PARTNERS, LP
  - ❖ CORNALINA ACQUISITION FII LTD. (“APAX”)
    - ❖ MATTHEWS INDIA FUND
- ❖ ADITYA BIRLA SUN LIFE TRUSTEE PVT. LTD.
  - ❖ SBI MUTUAL FUND
  - ❖ BANK MUSCAT INDIA FUND
- ❖ FIDELITY FUNDS - ASIAN SMALLER COMPANIES POOL
  - ❖ KOTAK MUTUAL FUND
- ❖ ACACIA INSTITUTIONAL PARTNERS, LP

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# SUBSIDIARY DETAILS

SHRIRAM HOUSING FINANCE LIMITED



# Shriram Housing Finance Ltd.

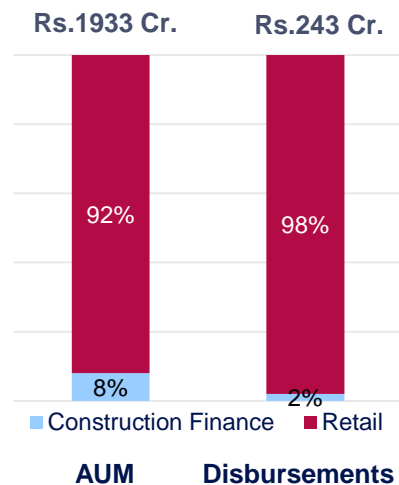


**Housing:**  
7.69% of  
Consol  
AUM

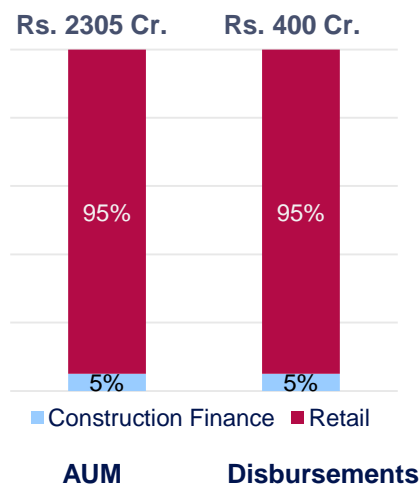
- ✓ Registered as non-deposit accepting HFC with the National Housing Bank
- ✓ Predominantly catering to self-employed borrowers/ informal salaried customers in Tier-II / Tier-III towns
- ✓ Focus on middle-income segment; average ticket size of INR 19.2 lakhs
- ✓ Operates out of 65 branches across 15 states in India with 750 employees, catering to 11109 customers
- ✓ Rated 'AA+' by Care Ratings and 'Ind AA' by India Ratings

## Loan AUM Split

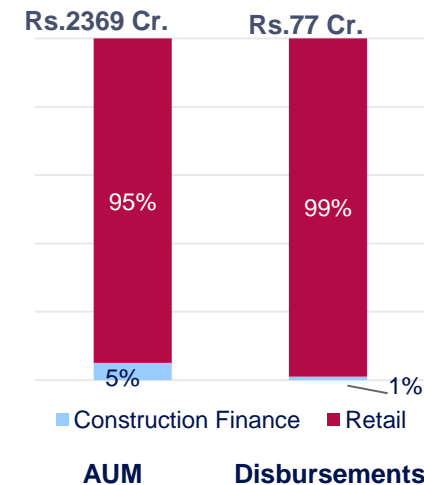
As of Q1FY20



As of Q4FY20



As of Q1FY21



# Shriram Housing Finance Ltd. – a snapshot of Q1

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- ✓ Despite business having been impacted by pandemic-induced Lockdowns, Assets under Management at Rs. 2369 Crore grew 23% YoY and 3% QoQ.
- ✓ Business slowly resuming to normalcy; 60% of average monthly volumes were witnessed in the month of June-20
- ✓ GNPA of 2.3% was the lowest in the last five years due to strong performance of new book and collection efficiency. Of the new book, only three customers are delinquent (under 60 DPD)
- ✓ As on 30<sup>th</sup> June 2020, SHFL possessed backup liquidity of Rs. 925 Cr.. This is sufficient to meet future obligations and business until Dec-20
- ✓ Cost of Funds declined sharply by 20 bps QoQ and was at 9.30%
- ✓ The number of customer under Moratorium witnessed a decline from over 50% in April-20 to 41% in June-20
- ✓ Collection efficiency increased from ~41% in May-20 to ~60% in June-20

# Shriram Housing Finance Ltd

## Quarterly Financial Highlights

Particulars (INR in Crores)	Q1FY20	Q4FY20	Q1FY21	Growth	
				YoY	QoQ
Assets Under Management	1933	2305*	2369*	22.6%	2.8%
Disbursements	243	400	77	(68.3%)	(80.7%)
Interest Income	68.75	62.46	65.79	(4.3%)	5.3%
Other Income	9.69	49.95	6.05	(37.6%)	(87.9%)
Income from Operations	78.44	112.41	71.84	(8.4%)	(36.1%)
Interest Expenses	38.08	44.28	43.86	15.2%	(0.9%)
Net Interest Income	40.36	68.13	27.98	(30.7%)	(58.9%)
Operating Expenses	24.12	34.39	20.37	(15.5%)	(40.7%)
Impairment on Financial Instruments & Write-offs	7.03	16.77**	(0.59)	-	-
Profit Before Tax	9.21	16.98	8.20	(11.0%)	(51.7%)
<b>Profit After Tax</b>	<b>6.88</b>	<b>11.67</b>	<b>5.99</b>	<b>(13.1%)</b>	<b>(48.7%)</b>

\* Includes assigned pool

\*\* Includes INR 10 Crore of enhanced provisions related to COVID-19

# Shriram Housing Finance Ltd

## Key Ratios

Analysis on Average AUM	Q1FY20	Q4FY20	Q1FY21
Yield on Assets	16.64%	22.49%	14.17%
Finance Expenses	8.08%	8.86%	8.65%
Net Interest Margin	8.56%	13.63%	5.52%
Cost-to-Income	59.77%	50.47%	72.81%
Gross NPAs	2.86%	2.40%	2.30%
Net NPAs	2.25%	1.90%	1.80%
RoA	1.46%	2.33%	1.18%
RoE	5.90%	9.20%	4.70%
Leverage (times)	3.72	3.76	4.16
Capital Adequacy Ratio	29.43%	27.76%	25.41%
Net Worth (INR Cr.)	472.98	513.01	519.41

# Disclaimer

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